

# **THE OFFICE OF REGULATORY STAFF**

## **DIRECT TESTIMONY AND EXHIBITS**

**OF**

**M. ANTHONY JAMES**

**MARCH 14, 2007**



**DOCKET NO. 2007-2-E**

**South Carolina Electric and Gas Company  
Annual Review of Base Rates for Fuel Costs**

**DIRECT TESTIMONY OF****M. ANTHONY JAMES  
ON BEHALF OF****THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF****DOCKET NO. 2007-2-E**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND  
OCCUPATION.**

**A.** My name is Anthony James. My business address is 1441 Main Street, Suite 300, Columbia, South Carolina 29201. I am employed by the State of South Carolina as a Senior Specialist in the Electric Department for the Office of Regulatory Staff ("ORS").

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND  
EXPERIENCE.**

**A.** I hold a bachelor's degree in engineering from the University of South Carolina as well as a master's degree in environmental resources management and have twenty years of experience as a project engineer in environmental regulatory compliance. I am a professional engineer registered in the State of South Carolina, a member of the South Carolina Society of Professional Engineers and a member of the NARUC Staff Subcommittee on Electricity.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
PROCEEDING?**

**A.** The purpose of my testimony is to set forth ORS Electric Department's findings and recommendations resulting from our review of South Carolina

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**THE OFFICE OF REGULATORY STAFF  
1441 Main Street, Suite 300  
Post Office Box 11263 (29211)  
Columbia, SC 29201**

1 Electric & Gas Company's ("Company") fuel expenses and power plant  
2 operations used in the generation of electricity for the period under review.

3 **Q. WHAT AREAS WERE ENCOMPASSED IN YOUR REVIEW OF THE**  
4 **COMPANY'S FUEL EXPENSES?**

5 **A.** ORS reviewed the Company's responses to our Data Request which  
6 encompassed approximately 80 multi-part questions. The data request addressed  
7 energy generation and maintenance activities. In preparation for this proceeding,  
8 ORS also reviewed the Company's monthly fuel reports including power plant  
9 performance data, major unit outages and generation statistics. All data was  
10 reviewed with reference to the Company's existing Adjustment for Fuel Costs  
11 tariff and the Fuel Clause statute.

12 **Q. WHAT ADDITIONAL STEPS WERE TAKEN IN ORS'S REVIEW OF**  
13 **THE COMPANY'S REQUEST IN THIS PROCEEDING?**

14 **A.** ORS met with Company personnel including the General Manager of  
15 Fossil and Hydro Operations to discuss the Company's plant operations. Staff  
16 met with personnel from the natural gas supply group to discuss natural gas  
17 procurement activities. A meeting was also held with the Company's nuclear fuel  
18 procurement and plant management personnel to discuss nuclear fuel pricing and  
19 operational issues. ORS reviewed documentation of natural gas purchases for  
20 operation of the Jasper and Urquhart generating facilities during the review  
21 period. In addition, on a daily basis, ORS keeps abreast of the coal and natural  
22 gas industry through industry and governmental publications.

1 **Q. DID ORS EXAMINE THE COMPANY'S PLANT OPERATIONS FOR**  
2 **THE REVIEW PERIOD?**

3 **A.** Yes. ORS reviewed the Company's operation of its generating facilities,  
4 including nuclear plant operations to determine if the Company made reasonable  
5 efforts to minimize fuel costs. Page 1 of Exhibit MAJ-1 shows the monthly  
6 availability of the Company's major generating units. The capacity factors on  
7 Page 2 of Exhibit MAJ-1 indicate the monthly utilization of each unit in the  
8 production of power.

9 **Q. PLEASE EXPLAIN HOW ZERO AVAILABILITY IS REPRESENTED ON**  
10 **EXHIBIT MAJ-2.**

11 **A.** Exhibit MAJ-2 complements Exhibit MAJ-1 and shows the Fossil and  
12 Nuclear Unit Outages of 100 hours. On Page 1 of Exhibit MAJ-1, listings with  
13 zero availability as well as those listings with months of less than 100%  
14 availability led us to investigate reasons for such occurrences. These findings are  
15 examined by referencing Exhibit MAJ-2. As an example, Page 1 of Exhibit MAJ-  
16 1 shows Wateree Unit #2 had zero availability in October and November 2006.  
17 Page 2 of Exhibit MAJ-2 explains the reason for the zero availability during that  
18 time period. The Wateree Unit #2 had a scheduled maintenance outage between  
19 September 15, 2006 and December 22, 2006, and therefore, the unit was not  
20 available to generate electricity during this time period.

21 **Q. PLEASE ADDRESS THE OUTAGES AT VC SUMMER NUCLEAR**  
22 **STATION.**

1     **A.**             Page 3 of Exhibit MAJ-2 shows one scheduled outage experienced during  
2             the review period. The VC Summer nuclear unit had a scheduled refueling outage  
3             between October 14, 2006 and November 22, 2006. VC Summer is on an  
4             approximate 18 month refueling cycle. There were no forced outages during the  
5             review period. Excluding the scheduled outage, the VC Summer nuclear station  
6             operated efficiently at availability factors of 100%, and capacity factors very near  
7             or above 100% during the review period.

8     **Q.     WHAT WERE THE RESULTS OF YOUR ANALYSIS OF THE**  
9             **COMPANY'S OTHER POWER PLANT OPERATIONS FOR THE**  
10            **PERIOD UNDER REVIEW?**

11    **A.**             ORS's review of the Company's operation of its generating facilities  
12             during the actual review period ending January 2007 revealed that the Company  
13             appears to have made reasonable efforts to maximize unit availability and  
14             minimize fuel costs when considering all plant operations.

15    **Q.     DID ORS REVIEW THE GENERATION MIX UTILIZED BY THE**  
16             **COMPANY DURING THE REVIEW PERIOD?**

17    **A.**             Yes. Exhibit MAJ-3 shows the monthly generation mix for the review  
18             period by generation type. As shown in this Exhibit, the higher fuel cost  
19             combined-cycle natural gas-fired plants, which include both Jasper and Urquhart,  
20             generally contributed higher percentage generation during the summer or peak  
21             months and lower percentage generation during the non-summer period.

22    **Q.     WHY DID YOU REFER TO THE COMBINED CYCLE PLANTS AS**  
23             **HAVING HIGHER FUEL COSTS?**

1     **A.**             Exhibit MAJ-4 shows the average fuel costs for the major generating  
2             plants on the Company's system for the review period and the megawatt-hours  
3             produced by those respective plants. The chart shows the lowest average fuel  
4             costs for VC Summer Nuclear Station being 0.32 cents/kWh and the highest  
5             average fuel costs for the Jasper and Urquhart natural-gas fired combined cycle  
6             plants being 5.84 and 6.66 cents/kWh, respectively. The Company utilizes  
7             economic dispatch which generally requires that the lower cost units are  
8             dispatched first.

9     **Q.     HAS ORS REVIEWED THE ACCURACY OF THE COMPANY'S**  
10    **FORECAST?**

11    **A.**             Yes. As shown in Exhibit MAJ-5, the Company's actual sales versus  
12             forecasted sales varied by 3.81% during the review period. In addition, Exhibit  
13             MAJ-6 shows the monthly variance between projected and actual fuel cost  
14             factors. The Company's cumulative average projected fuel cost level for the  
15             period was 4.01% below the actual resulting cost level.

16    **Q.     DID ORS REVIEW ADDITIONAL INFORMATION IN VERIFYING THE**  
17    **COMPANY'S FORECAST?**

18    **A.**             Yes. ORS reviewed the forecasted maintenance schedules for the  
19             Company's major generating units as well as the Company's fuel price forecast  
20             for Nuclear, Coal, and Natural Gas. The Company continues to utilize the  
21             PROSYM® computer model to project fuel costs. PROSYM® is an accepted  
22             computer model utilized by utility companies throughout the country for fuel cost  
23             projections. The use of the model has not changed.

1    **Q.    WHAT OTHER REVIEWS HAS ORS UTILIZED IN MAKING ITS**  
2    **DETERMINATIONS IN THIS PROCEEDING?**

3    **A.**           Exhibit MAJ-7 shows the actual ending balances of over and under  
4           collections of fuel costs beginning July 1979. The Company has experienced  
5           under-recovery balances throughout the approximate twenty-five year period. As  
6           of January 2007, the Company was experiencing a cumulative under-recovery of  
7           (\$52,562,505).

8    **Q.    WHAT OTHER SOURCES DOES ORS USE IN DETERMINING THE**  
9    **REASONABLENESS OF THE COMPANY'S REQUEST?**

10   **A.**           ORS routinely: 1) reviews private and public industry publications as well  
11           as those available on the Energy Information Administration's ("EIA") website;  
12           2) conducts meetings with Company personnel; 3) conducts meetings with  
13           representatives of large industrial users; 4) attends industry conferences; and 5)  
14           reviews fuel information as filed monthly by electric generating utilities on Form  
15           423 with the Federal Government.

16   **Q.    DOES THIS CONCLUDE YOUR TESTIMONY?**

17   **A.**           Yes, it does.

**SOUTH CAROLINA  
OFFICE OF REGULATORY STAFF**

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
ANNUAL REVIEW OF BASE RATES FOR FUEL COST  
REVIEW PERIOD: FEBRUARY 1, 2006 - JANUARY 31, 2007**

**DOCKET NO. 2007-2-E**

**M. ANTHONY JAMES TESTIMONY**

**EXHIBIT INDEX**

**EXHIBIT NO.**

**EXHIBIT TYPE**

<b>MAJ-1</b>	<b>Power Plant Performance Data Report - Availability/Capacity Factors for SCE&amp;G</b>
<b>MAJ-2</b>	<b>Fossil/Nuclear Unit Outage Report (100 Hrs. or Greater Duration) for SCE&amp;G</b>
<b>MAJ-3</b>	<b>Generation Mix Report: (February 2006 - January 2007) for SCE&amp;G</b>
<b>MAJ-4</b>	<b>Generation Statistics for Major Plants: (February 2006 - January 2007) for SCE&amp;G</b>
<b>MAJ-5</b>	<b>SC Retail Comparison of Estimated to Actual Energy Sales for SCE&amp;G</b>
<b>MAJ-6</b>	<b>SC Retail Comparison of Estimated to Actual Fuel Cost for SCE&amp;G</b>
<b>MAJ-7</b>	<b>History of Cumulative Recovery Account Report for SCE&amp;G</b>

*All Exhibits Prepared by the SC Office of Regulatory Staff*



**Office of Regulatory Staff  
Power Plant Performance Data Report  
Availability Factors (Percentage) for  
South Carolina Electric & Gas Company**

PLANT	UNIT	MW RATING	FEB 2006	MAR 2006	APR 2006	MAY 2006	JUN 2006	JUL 2006	AUG 2006	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	AVG AVAIL.
CANADYS	1	105	96.2	95.1	72.7	35.3	100.0	100.0	92.4	69.7	100.0	93.9	100.0	38.7	82.8
CANADYS	2	116	86.7	100.0	27.6	97.8	100.0	100.0	94.4	100.0	51.9	100.0	100.0	92.9	87.6
CANADYS	3	185	81.3	100.0	76.0	100.0	94.1	90.3	90.9	100.0	100.0	59.5	94.7	87.0	89.5
McMEEKIN	1	125	100.0	71.2	100.0	100.0	92.4	100.0	100.0	96.0	19.7	78.7	100.0	100.0	88.2
McMEEKIN	2	125	100.0	93.1	74.6	95.6	100.0	100.0	100.0	100.0	83.4	38.5	97.5	100.0	90.2
URQUHART	3	94	100.0	100.0	73.3	73.4	99.6	99.7	100.0	100.0	100.0	75.2	100.0	100.0	93.4
WATEREE	1	350	88.9	100.0	70.4	86.4	100.0	86.7	98.0	56.8	99.4	100.0	100.0	90.7	89.8
WATEREE	2	350	100.0	93.8	71.8	100.0	100.0	100.0	100.0	49.5	0.0	0.0	2.4	43.6	63.4
WILLIAMS		615	85.7	40.3	100.0	100.0	97.7	99.0	100.0	96.5	75.7	100.0	65.2	0.0	80.0
COPE		420	100.0	100.0	45.8	96.2	98.6	100.0	98.8	100.0	100.0	96.5	100.0	95.1	94.2
FOSSIL TOTALS		2485	93.9	89.4	71.2	88.5	98.2	97.6	97.4	86.9	73.0	74.2	86.0	74.8	85.9
URQUHART CC	5	165	100.0	100.0	85.0	85.1	100.0	93.9	98.9	84.2	54.5	99.5	100.0	100.0	91.7
URQUHART CC	1	66	100.0	100.0	85.0	85.1	100.0	99.5	98.8	84.1	53.9	99.5	100.0	100.0	92.2
URQUHART CC	6	173	100.0	100.0	85.0	100.0	98.8	99.1	99.4	100.0	62.8	98.7	100.0	99.9	95.3
URQUHART CC	2	68	100.0	100.0	85.0	100.0	99.7	99.9	96.7	100.0	62.2	98.7	100.0	99.8	95.2
JASPER CC	1	165	100.0	22.6	100.0	64.5	88.7	85.8	100.0	100.0	100.0	81.7	59.7	100.0	83.6
JASPER CC	2	165	100.0	22.6	100.0	64.5	100.0	100.0	91.5	100.0	100.0	82.6	59.7	90.1	84.3
JASPER CC	3	165	100.0	22.6	100.0	64.5	100.0	100.0	88.1	100.0	100.0	83.3	59.7	100.0	84.9
JASPER CC	4	385	93.4	0.0	0.0	11.8	100.0	100.0	100.0	98.8	100.0	83.3	59.5	100.0	70.6
CC TOTALS		1352	99.2	58.5	80.0	71.9	98.4	97.3	96.7	95.9	79.2	90.9	79.8	98.7	87.2
V.C. SUMMER (SCE&G) (SCPSA)*		966 644 322	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	41.9	24.5	100.0	100.0	

Note 1: The lifetime capacity factor for V.C.Summer through December 2006 is 81.2%

Note 2: SCPSA represents the South Carolina Public Service Authority's 1/3 ownership of VC Summer.

Note 3: CC designates Combined-Cycle units

**Office of Regulatory Staff**  
**Power Plant Performance Data Report**  
**Capacity Factors (Percentage) for**  
**South Carolina Electric & Gas Company**

PLANT	UNIT	MW RATING	HISTORICAL DATA				REVIEW PERIOD (ACTUAL) DATA											
			YEAR	YEAR	YEAR	YEAR	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
			2003	2004	2005	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2007
CANADYS	1	105	80.7	82.9	81.9	69.0	70.6	78.2	61.5	28.3	85.2	89.6	82.3	60.4	91.8	82.6	86.0	33.4
CANADYS	2	116	79.7	79.7	69.2	69.9	62.0	80.7	21.3	70.8	82.5	83.8	79.6	82.2	38.1	87.2	80.2	75.7
CANADYS	3	185	51.1	75.9	48.5	71.8	70.5	87.0	62.0	78.5	75.1	71.6	74.2	81.0	82.3	45.7	85.3	78.7
McMEEKIN	1	125	68.9	73.2	80.3	76.5	92.0	64.0	90.9	78.3	78.9	87.9	92.5	82.7	12.9	67.4	89.9	90.8
McMEEKIN	2	125	69.1	65.9	83.3	73.0	91.3	87.5	67.4	74.2	82.7	87.6	92.8	83.3	74.6	13.0	69.9	87.1
URQUHART	3	94	74.7	76.4	73.2	80.7	83.4	86.1	63.7	55.2	88.9	91.2	94.4	88.2	89.6	65.9	79.2	93.0
WATEREE	1	350	69.7	84.2	83.8	79.3	77.6	94.1	64.1	73.7	91.7	74.5	80.5	46.8	92.9	90.6	88.7	82.1
WATEREE	2	350	69.8	81.2	85.5	60.5	88.8	87.3	66.1	90.1	92.7	94.4	92.1	44.8	<b>0.0</b>	<b>0.0</b>	0.2	24.5
WILLIAMS		615	67.7	66.6	89.1	83.4	80.3	36.9	94.9	95.7	91.3	92.1	95.7	90.7	70.4	97.5	62.1	0.0
COPE		420	78.5	92.7	83.3	93.1	98.1	99.1	42.9	89.1	98.1	98.7	98.1	98.7	99.6	95.7	100.0	93.3
<b>FOSSIL TOTALS</b>		<b>2485</b>	<b>70.4</b>	<b>78.2</b>	<b>81.3</b>	<b>78.2</b>	<b>84.1</b>	<b>76.5</b>	<b>68.2</b>	<b>82.6</b>	<b>90.4</b>	<b>89.3</b>	<b>90.9</b>	<b>76.7</b>	<b>67.4</b>	<b>71.1</b>	<b>70.1</b>	<b>54.5</b>
URQUHART CC	5	165	n/a	n/a	10.5	18.0	8.0	5.6	17.9	11.1	21.1	39.3	55.3	14.2	17.0	14.3	7.9	34.0
URQUHART CC	1	66	n/a	n/a	10.8	20.4	8.4	5.9	19.6	12.4	23.2	43.9	64.0	15.6	19.7	15.8	8.7	37.5
URQUHART CC	6	173	n/a	n/a	6.9	15.5	6.2	8.4	10.4	12.7	18.5	52.0	42.2	5.7	9.3	14.4	4.5	28.7
URQUHART CC	2	68	n/a	n/a	8.2	17.6	7.0	9.7	11.5	14.4	20.8	60.1	46.6	6.5	11.1	16.6	4.9	31.8
JASPER CC	1	165	n/a	n/a	21.4	25.2	5.1	0.0	0.3	4.9	33.2	41.7	62.0	24.5	48.9	54.3	26.2	57.5
JASPER CC	2	165	n/a	n/a	24.7	27.1	8.5	0.0	2.3	4.2	42.3	54.0	49.5	31.0	58.2	49.2	20.4	39.1
JASPER CC	3	165	n/a	n/a	26.2	25.2	8.5	0.0	7.3	2.4	38.1	54.0	47.3	28.4	39.6	59.5	15.5	52.9
JASPER CC	4	385	n/a	n/a	18.4	19.6	4.1	0.0	0.0	2.3	28.9	41.0	44.8	19.4	36.9	41.0	15.0	34.5
<b>TOTAL CC CAP.</b>		<b>1352</b>	<b>n/a</b>	<b>n/a</b>	<b>17.2</b>	<b>21.1</b>	<b>3.5</b>	<b>1.4</b>	<b>3.4</b>	<b>3.5</b>	<b>15.5</b>	<b>25.6</b>	<b>26.0</b>	<b>10.6</b>	<b>18.2</b>	<b>20.2</b>	<b>7.7</b>	<b>21.6</b>
V.C. SUMMER (SCE&G) (SCPSA)*		966 644 322	86.9	96.5	87.7	88.3	101.5	101.7	101.6	98.2	98.3	99.0	99.3	99.7	40.3	17.3	100.9	101.1

Note 1: The lifetime capacity factor for V.C.Summer through December 2006 is 81.2%

Note 2: SCPSA represents the South Carolina Public Service Authority's 1/3 ownership of VC Summer.

Note 3: CC designates Combined-Cycle units

**Office of Regulatory Staff  
Fossil Unit Outage Report  
(100 Hrs or Greater Duration) for  
South Carolina Electric & Gas Company**

UNIT	DATE OFF	DATE ON	HOURS	TYPE	EXPLANATION OF OUTAGE
Canadys #1	04/23/06	05/21/06	673.03	Maintenance	Unit was taken off-line to perform maintenance on a boiler leak
Canadys #1	09/08/06	09/18/06	218.05	Maintenance	Unit was taken off-line to perform maintenance on a turbine control valve
Canadys #1	01/12/07	01/31/07	456.27	Planned	Unit was taken offline due to a scheduled turbine overhaul
Canadys #2	04/08/06	04/30/06	520.33	Maintenance	Unit was taken off-line to change the air heater baskets
Canadys #2	10/06/06	10/14/06	187.50	Maintenance	Unit was taken off-line to perform maintenance on the coal mills
Canadys #2	10/22/06	10/28/06	133.53	Maintenance	Unit was taken off line due to a large section of the division wall tube being replaced
Canadys #3	01/27/06	02/06/06	239.97	Forced	Unit was forced off line due to a boiler leak in a superheat tube.
Canadys #3	04/08/06	04/14/06	141.57	Forced	Unit was forced off line due to the failure of a fitting on the turbine lube oil system.
Canadys #3	11/04/06	11/16/06	291.88	Maintenance	Unit was taken off-line to replace the door gaskets
Cope	04/07/06	04/23/06	375.42	Planned	Unit was taken off-line to perform a boiler inspection
Jasper #1	03/01/06	03/10/06	240.00	Forced	Unit was forced off line due to the steam generator having some problems.
Jasper #1	03/11/06	03/24/06	336.00	Planned	Unit was taken off line due to a planned Spring outage
Jasper #1	05/13/06	05/24/06	264.00	Forced	Unit was forced off line due to the steam generator failure
Jasper #1	07/01/06	07/05/06	106.00	Forced	Unit was forced off line due to the generator hydrogen seal failure
Jasper #1	11/26/06	12/04/06	192.00	Planned	Unit was taken off line due to a planned Fall outage
Jasper #1	12/12/06	12/21/06	228.00	Forced	Unit was forced off line to add steam turbine generator end-winding supports due to increased vibration
Jasper #2	03/01/06	03/10/06	240.00	Forced	Unit was forced off line due to the steam generator having some problems.
Jasper #2	03/11/06	03/24/06	336.00	Planned	Unit was taken off line due to a planned Spring outage
Jasper #2	05/13/06	05/24/06	264.00	Forced	Unit was forced off line due to the steam generator failure
Jasper #2	11/26/06	12/04/06	192.00	Planned	Unit was taken off line due to a planned Fall outage
Jasper #2	12/12/06	12/21/06	228.00	Forced	Unit was forced off line to add steam turbine generator end-winding supports due to increased vibration
Jasper #3	03/01/06	03/10/06	240.00	Forced	Unit was forced off line due to the steam generator having some problems.
Jasper #3	03/11/06	03/24/06	336.00	Planned	Unit was taken off line due to a planned Spring outage
Jasper #3	05/13/06	05/24/06	264.00	Forced	Unit was forced off line due to the steam generator failure
Jasper #3	11/26/06	12/04/06	192.00	Planned	Unit was taken off line due to a planned Fall outage
Jasper #3	12/12/06	12/21/06	228.00	Forced	Unit was forced off line to add steam turbine generator end-winding supports due to increased vibration
Jasper ST	02/27/06	03/14/06	380.50	Forced	Unit was forced off line due to differential current causing the steam turbine to trip
Jasper ST	03/15/06	03/31/06	408.00	Planned	Unit was taken off line due to a planned Spring outage
Jasper ST	04/01/06	05/28/06	1375.00	Forced	Unit was forced off line due to the steam generator problems.
Jasper ST	11/26/06	12/04/06	192.00	Planned	Unit was taken off line due to a planned Fall outage
Jasper ST	12/12/06	12/21/06	229.00	Forced	Unit was forced off line to add steam turbine generator end-winding supports due to increased vibration

**Office of Regulatory Staff  
Fossil Unit Outage Report  
(100 Hrs or Greater Duration) for  
South Carolina Electric & Gas Company**

UNIT	DATE OFF	DATE ON	HOURS	TYPE	EXPLANATION OF OUTAGE
McMeekin #1	03/20/06	03/29/06	213.98	Planned	Unit was taken off line due to a planned Spring outage
McMeekin #1	09/29/06	10/20/06	505.65	Planned	Unit was taken off line due to a planned Fall outage
McMeekin #1	10/27/06	11/07/06	254.40	Forced	Unit was forced off line due to LP generator #3 bearing failure
McMeekin #2	03/29/07	04/06/06	193.20	Planned	Unit was taken off line due to a planned Spring outage
McMeekin #2	06/12/06	06/18/06	133.45	Forced	Unit was reduced in load due to "2B" ID fan drive failure
McMeekin #2	10/27/06	11/17/06	489.67	Planned	Unit was taken off line due to a planned Fall outage
McMeekin #2	11/19/06	12/01/06	297.53	Forced	Unit was reduced in load due to boiler water chemistry and flush
Urquhart #1	04/09/06	04/13/06	108.00	Planned	Unit was taken off line due to a planned Spring outage
Urquhart #1	05/08/06	05/12/06	107.00	Forced	Unit was forced off line due to thrust bearing inspection
Urquhart #1	09/26/06	10/15/06	448.62	Planned	Unit was taken off line due to combustion inspection and compressor blade work
Urquhart #2	04/09/06	04/13/06	108.00	Planned	Unit was taken off line due to a planned Spring outage
Urquhart #2	10/14/06	10/25/06	261.50	Planned	Unit was taken off line due to brushes on DC seal oil pump
Urquhart #3	04/22/06	05/06/06	326.07	Planned	Unit was taken off line due to a planned Spring outage
Urquhart #3	11/11/06	11/18/06	178.60	Planned	Unit was taken off-line to perform an overhaul of the "3D" mill
Urquhart #5	04/09/06	04/13/06	108.00	Planned	Unit was taken off line due to a planned Spring outage
Urquhart #5	05/08/06	05/12/06	107.00	Forced	Unit was forced off line due to thrust bearing inspection
Urquhart #5	09/26/06	10/14/06	436.42	Planned	Unit was taken off line due to combustion inspection and compressor blade work
Urquhart #6	04/09/06	04/13/06	108.00	Planned	Unit was taken off line due to a planned Spring outage
Urquhart #6	10/14/06	10/24/06	248.68	Planned	Unit was taken off line due to a combustion inspection
Wateree #1	04/22/06	05/05/06	309.50	Planned	Unit was taken off line due to a planned Spring outage
Wateree #1	08/29/06	09/02/06	102.50	Forced	Unit was reduced in load due to poor fuel quality
Wateree #1	09/02/06	09/11/06	225.38	Planned	Unit was taken off line due to a planned Fall outage
Wateree #2	04/01/06	04/09/06	195.32	Planned	Unit was taken off line due to a planned Spring outage
Wateree #2	08/01/06	08/06/06	114.00	Forced	Unit was reduced in load due to condensate temperature above 128 F & cleaning water box
Wateree #2	08/19/06	08/24/06	113.00	Forced	Unit was reduced in load due to condensate temperature above 128 F & cleaning water box
Wateree #2	09/15/06	12/22/06	2334.44	Planned	Unit was taken off line due to a planned Fall outage
Wateree #2	12/25/06	01/07/07	327.78	Forced	Unit was forced off line due to turbine vibration
Williams	02/25/06	03/19/06	539.42	Planned	Unit was taken off line due to a planned Spring outage
Williams	09/29/06	10/08/06	206.40	Planned	Unit was taken off line due to a planned Fall outage
Williams	12/21/06	2/28/07*	1674.93	Forced	Unit was forced off line due to electrical problems between the main generator and the station transformer

\*Note: Williams Station returned to service after the conclusion of the review period.

**Office of Regulatory Staff**  
**V.C. Summer Nuclear Unit Outage Report for**  
**South Carolina Electric & Gas Company**

<b>NO.</b>	<b>DATE OFF</b>	<b>DATE ON</b>	<b>HOURS</b>	<b>TYPE</b>	<b>EXPLANATION OF OUTAGE</b>
1	10/14/06	11/22/06	953.40	Scheduled	Completed Refueling

**Office of Regulatory Staff  
Generation Mix Report for  
South Carolina Electric & Gas Company**

**(February 1, 2006 - January 31, 2007)**

<b>MONTH</b>	<b>PERCENTAGE</b>			
	<b>FOSSIL</b>	<b>NUCLEAR</b>	<b>COMBINED CYCLE</b>	<b>HYDRO</b>
<b>2006</b>				
<b>February</b>	71	22	3	4
<b>March</b>	71	24	1	4
<b>April</b>	68	25	3	4
<b>May</b>	71	22	3	4
<b>June</b>	66	18	12	4
<b>July</b>	62	17	17	4
<b>August</b>	61	17	18	4
<b>September</b>	65	22	9	4
<b>October</b>	68	10	18	4
<b>November</b>	73	4	20	3
<b>December</b>	66	24	7	3
<b>January (2007)</b>	52	24	19	5

**Office of Regulatory Staff  
Generation Statistics for Major Plants for  
South Carolina Electric & Gas Company**

**(February 1, 2006 - January 31, 2007)**

<b>PLANT</b>	<b>TYPE FUEL</b>	<b>AVERAGE FUEL COST (CENTS/KWH*)</b>	<b>GENERATION (MWH)</b>
<b>Summer</b>	Nuclear	0.32	5,012,094
<b>McMeekin</b>	Coal	2.43	1,677,022
<b>Williams</b>	Coal	2.44	4,061,846
<b>Wateree</b>	Coal	2.62	4,182,258
<b>Urquhart</b>	Coal	2.54	671,898
<b>Canadys</b>	Coal	2.91	2,600,387
<b>Cope</b>	Coal	2.39	3,409,502
<b>Urquhart CC</b>	Gas	6.66	824,694
<b>Jasper CC</b>	Gas	5.84	2,055,044

*(\*) The average fuel costs for coal-fired plants include oil and/or gas cost for start-up and flame stabilization.*

**Office of Regulatory Staff**  
**SC Retail Comparison of Estimated to Actual Energy Sales**  
**for South Carolina Electric & Gas Company**

	<b>2006</b>											<b>2007</b>	
	<b><u>FEB</u></b>	<b><u>MAR</u></b>	<b><u>APR</u></b>	<b><u>MAY</u></b>	<b><u>JUN</u></b>	<b><u>JUL</u></b>	<b><u>AUG</u></b>	<b><u>SEP</u></b>	<b><u>OCT</u></b>	<b><u>NOV</u></b>	<b><u>DEC</u></b>	<b><u>JAN</u></b>	<b><u>TOTAL</u></b>
[1] <b>ESTIMATED SALES [MWH]</b>	1,715,000	1,662,000	1,569,000	1,727,000	2,027,000	2,210,000	2,244,000	2,105,000	1,784,000	1,627,000	1,745,000	1,907,000	22,322,000
[2] <b>ACTUAL SALES [MWH]</b>	1,646,863	1,662,823	1,532,522	1,670,944	1,988,875	2,097,943	2,268,392	2,043,860	1,675,800	1,523,053	1,684,693	1,706,293	21,502,061
[3] <b>AMOUNT DIFFERENCE [1]-[2]</b>	68,137	-823	36,478	56,056	38,125	112,057	-24,392	61,140	108,200	103,947	60,307	200,707	819,939
[4] <b>PERCENT DIFFERENCE [3]/[2]</b>	4.14%	-0.05%	2.38%	3.35%	1.92%	5.34%	-1.08%	2.99%	6.46%	6.82%	3.58%	11.76%	<b>3.81%</b>

EXHIBIT MAJ-5



**Office of Regulatory Staff**  
**SC Retail Comparison of Estimated to Actual Fuel Cost (Cents/kWh)**  
**for South Carolina Electric & Gas Company**

		<b><u>2006</u></b> <b><u>FEB</u></b>	<b><u>MAR</u></b>	<b><u>APR</u></b>	<b><u>MAY</u></b>	<b><u>JUN</u></b>	<b><u>JUL</u></b>	<b><u>AUG</u></b>	<b><u>SEP</u></b>	<b><u>OCT</u></b>	<b><u>NOV</u></b>	<b><u>DEC</u></b>	<b><u>2007</u></b> <b><u>JAN</u></b>	<b><u>AVERAGE</u></b>
[1]	<b>ORIGINAL PROJECTION</b>	2.0423	1.9984	2.0296	2.2573	2.5771	2.7812	2.6640	2.2941	2.6105	3.1731	2.3379	2.4187	2.4320
[2]	<b>ACTUAL EXPERIENCE</b>	2.1082	1.7388	2.2688	2.4269	2.4462	2.8302	2.8945	2.1065	2.7652	3.4846	2.4198	2.9147	2.5337
[3]	<b>AMOUNT IN BASE</b>	2.2560	2.2560	2.2560	2.5160	2.5160	2.5160	2.5160	2.5160	2.5160	2.5160	2.5160	2.5160	2.4510
[4]	<b>VARIANCE</b>  <b>FROM ACTUAL</b> <b>[1-2]/[2]</b>	-3.13%	14.93%	-10.54%	-6.99%	5.35%	-1.73%	-7.96%	8.91%	-5.59%	-8.94%	-3.38%	-17.02%	<b><u>-4.01%</u></b>

## Office of Regulatory Staff

### History of Cumulative Recovery Account Report for South Carolina Electric & Gas Company

<u>PERIOD ENDING</u>	<u>OVER (UNDER) \$</u>
January 1979 – Automatic Fuel Adjustment in Effect	
July 1979	4,427,600
April 1980	7,608,796
October 1980	(462,050)
April 1981	2,188,451
October 1981	( 10,213,138)
April 1982	5,164,628
October 1982	9,937,268
April 1983	9,767,185
October 1983	(4,527,441)
April 1984	(2,646,395)
October 1984	(3,211,158)
April 1985	(9,545,054)
October 1985	(6,115,435)
April 1986	2,474,301
October 1986	(540,455)
April 1987	(353,393)
October 1987	(3,163,517)
April 1988	9,247,139
October 1988	2,717,342
April 1989	(5,665,737)
October 1989	(8,777,726)
April 1990	(5,288,612)
October 1990	6,536,591
April 1991	7,180,922
October 1991	4,160,275
April 1992	15,835,472
October 1992	15,449,670
April 1993	16,006,551
October 1993	10,069,457
April 1994	2,646,301
October 1994	(265,302)
April 1995	6,622,597
October 1995	4,202,766
February 1997	4,914,169
February 1998	596,797
February 1999	(1,303,094)
February 2000	(124,599)
February 2001	(60,454,498)
February 2002	(16,421,821)
February 2003	(17,429,464)
February 2004	(20,532,126)
January 2005	(23,979,198)
January 2006	(54,743,186)
January 2007	(52,562,505)